



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Required Report - public distribution

Date: 11/15/2000

GAIN Report #GR0032

Greece

Citrus

Annual

2000

Approved by:

Clay Hamilton

U.S. Embassy Greece

Prepared by:

Stamatis Sekliziotis

Report Highlights:

Orange production for 2000/01 is forecast to be close to 900,000 MT, which is higher than average, but still lower than last year's record crop. Tangerine production will increase again to 90,000 MT and lemon production is presently forecast at about 140,000 MT. Orange juice concentrate forecasts for 2000/01 stand at about 15,000 MT. Greek citrus growers were negatively affected by the 1996 EU citrus sector reform because increased competition from other countries and reduced withdrawal levels have forced them to send increasing tonnages of fruit to the processing industry at reduced prices. As a result of low profit margins, farmers are putting less effort into maintaining orange groves and refocusing on expanding tangerine production, which is more profitable.

Includes PSD changes: Yes

Includes Trade Matrix: Yes

Annual Report

Athens [GR1], GR

..... 1

I. Situation & Outlook - Narrative	2
Production	2
.....	2
Trade	3
Policy	4
Consumption	5
.....	9
PS&D Table, Fresh Oranges	10
.....	10
Export Trade Matrix, Fresh Oranges	11
Import Trade Matrix, Fresh Oranges	12
PS&D Table, Juice Oranges	13
Export Trade Matrix, Juice Oranges	14
Import Trade Matrix, Juice Oranges	15
PS&D Table, Fresh Tangerines	16
Export Trade Matrix, Fresh Tangerines	17
Import Trade Matrix, Fresh Tangerines	18
PS&D Table, Fresh Lemons	19
Export Trade Matrix, Fresh Lemons	20
Import Trade Matrix, Fresh Lemons	21
PS&D Table, Juice Lemons	22

I. Situation & Outlook - Narrative

Production

The 2000/01 fresh orange production is presently forecast to be close to 900,000 MT, higher than average, but still lower than last year's record crop of 1,040,000 MT. The 1999/2000 year crop would have been even higher except for losses suffered due to a late January frost. Weather conditions thus far this year are about normal but precipitation is quite limited. Last summer's extremely high temperatures did not seriously affect the citrus crops.

Based on favorable weather conditions, tangerine production for 2000/01 is forecast at about 90,000MT compared to 85,000 MT in 1999/2000. Growers receive higher profit margins from tangerines because of higher demand. As a result, the growers are trying to maximize yields and are expanding tangerine acreage at the expense of other citrus crops.

Lemon production for 2000/01 is presently forecast at about 140,000 MT. The 1999/2000 lemon crop was seriously affected by the winter frosts and was revised downwards to 135,000 MT from an earlier forecast of 155,000 MT.

Orange juice concentrate production (65 Brix basis) during 1999/2000 was revised significantly upward to 16,500 MT from the estimate included in the previous report (GR-0010, April 21, 2000) due to a larger tonnage than expected of oranges, totaling 380,000 MT, being delivered to juice processors. As a result of the higher production, stocks of OJC increased to over 3,000 metric tons. Present forecasts for 2000/01 OJC production stand at about 15,000 MT with stocks shrinking to 1,500 mt due to increased exports. The price paid to growers for oranges delivered for processing during the 1999/2000 year ranged from 34 to 38 drs/kg (\$0.102 – \$0.114/kg) as compared to 29 to 35 drs/kg (#0.967 – \$0.117/kg) a year earlier.

The Greek citrus industry is currently facing keen competition from other Mediterranean countries, especially Spain, that produce similar crops. In addition, the ongoing economic problems in Eastern Europe and neighboring countries, which have traditionally been major buyers of Greek citrus, continue to limit export opportunities. Acreage for orange trees is expected to continue its gradual decline during the next few years due to the very marginal profit the growers are receiving. Tangerine acreage on the other hand is expected to remain fairly stable, if not slightly increase, as new varieties are introduced. Lemon acreage is expected to decline appreciably as disease problems continue (mal secco – withertip) and as older orchards are not replaced.

The average yield of OJC needed to produce a kilogram of OJC, during 1999/2000 was close to 23 kgs of oranges (mostly Navel and Common) compared to the 19.5 kgs that were needed the prior year. This lower yield was the result of the severe frosts that occurred in January 2000.

Trade

The following table highlights the timing of citrus exports by variety, including the month in which exports begin, when exports end, and the months of with the highest level of exports.

Timing of Citrus Exports			
	Begin	End	Months of heaviest flow
Oranges			
Navel & Navelina	Nov.	Mar.	Dec.-Feb.
Valencia	Mar.	Sept.	Apr.-May
Tangerines			
Clementines	Nov.	Feb.	Dec.-Jan.
Common	Dec.	Mar.	Dec.-Jan.
Lemons	Nov.	May	Jan.-Mar.

As stated in past reports, Brazil, because of its large production levels, effectively controls the international market for OJC concentrate (65 Brix). While little of the Brazilian juice is exported directly to Greece, large quantities are shipped via Rotterdam and Hamburg. During the 1999 CY, imports from these two countries totaled over 10,800 MT of a total imported tonnage of 21,307 MT while imports from the U.S. totaled 1,005 MT. Comparable 1998 CY figures were 8,200 MT, 15,835 Mt and 1,247 MT respectively.

The Brazilian OJC price has recently fallen and at present is quoted cif Rotterdam at \$750 to \$850 per MT which with the addition of freight and import duties, lands in Greece at about \$1,000 to \$1,100 per MT. The Greek product, on a 65 Brix basis, is presently sold at the same price range.

Policy

In reviewing the 1996 EU reform of the citrus sector, the general opinion is that it has negatively affected citrus growers. Under the program, the EU established a ceiling of citrus fruit to be delivered annually to processors for all member states EU (EU Reg. No 2202/96) for the period of 1997/98 through 2002/03. The levels are 1,189,000 MT for oranges, 320,000 MT for tangerines, clementines and satsumas and 444,000 MT for lemons. In the event that these ceilings are exceeded, the growers aid for the following year is automatically reduced by the amount of overproduction. Due to excess quantities of fruit delivered to processors during the three year periods 1997/98, 1998/99 and 1999/2000 growers aid was reduced for the three citrus fruits as follows:

	1997/98	1998/99	1999/00
Oranges	42%	32%	30%
Tangerines	7%	11%	11%
Lemons	36%	44%	38%

Faced with increased competition from other countries and reduced demand in traditional markets, as discussed earlier in this report, the growers have been unable to move large quantities of fresh fruit to the export market. The reduced exports combined with the reduced tonnages available for withdrawals have forced producers to send increasing tonnages of fruit to the processing industry. Prices paid by processors to growers under the new regime are substantially lower than those secured by the growers prior to the 1996 reform. As a result, their income has been gradually reduced which, in turn, has forced growers to cut back on upkeep of the orchards in an effort to reduce their losses.

Although the processing industry prefers the previous system, the general consensus is that processors have not been appreciably affected by the new regime. While profits may be slightly lower, it has not spurred any closing of plants or consolidations among processors in the last several years.

Consumption

Domestic fresh consumption data shown in the PS & D tables include farm use, losses (waste) as well as withdrawal tonnages, in addition to fresh sales. The analysis of these figures for oranges, tangerines and lemons is as follows:

Domestic Fresh Consumption			
1,000 Metric Tons			
	1998/99	1999/00	2000/01
Oranges			
Fresh Sales	266	208	246
Waste, Farm Use & Losses	59	88	65
Withdrawal from Market	22	95	40
TOTAL Domestic Consumpt.	347	391	351
Tangerines			
Fresh Sales	48	46	47
Waste, Farm Use & Losses	6	3	8
Withdrawal from Market	neg.	1	0
TOTAL Domestic Consumption	54	50	55
Lemons			
Fresh Sales	87	84	82
Waste, Farm Use & Losses	14	16	10
Withdrawal from Market	0	0	0
TOTAL Domestic Consumpt.	101	100	92

Domestic per capita consumption of orange and lemon juices in Greece ranges between 10.5 and 11.0 liters of

single strength orange juice and about 0.9 to 1.0 liters of single strength lemon juice.

Production analysis by principal varieties for the last couple of years is as follows:

Production by Variety		
Metric tons		
	1998-99	1999/00
Oranges		
Washington Navel	459,000	596,000
Valencia	132,000	171,000
Common	106,000	138,000
Navelina	58,000	75,000
All Other	45,000	60,000
Total	800,000	1,040,000
Tangerines		
Clementines	56,500	57,000
Common	20,500	20,000
Satsuma - Encore - All Other	8,000	8,000
Total	85,000	85,000

Lemons		

Maglene	81,000	77,000
Karystini	27,000	25,000
Adamopoulou – Santa Teresa	12,500	12,000
All Other	22,500	21,000
Total	143,000	135,000

The average wholesale prices for oranges, tangerines and lemons in the Athens central market during the 1999/2000 year fluctuated as follows:

Average Wholesale Prices for 1999/2000 Drachmas per Kilogram					
	Oct-Nov 99	Dec 99	April-May 00	June-July 00	Aug-Oct 00
Oranges					
Navels	100-110	90-110	110-130	120	-
Navel from Crete	160	140-150	150-160	150	-
Valencia	90-110	-	100	90-100	90-100
Tangerines					
Clementines	120-250	140-200	-		250
Common	150-230	120-150	-		-

Lemons					
Domestic	110-160	90-110	100-150	130-200	140-230
Imported	270	-	250	250-300	270-300

Exchange Rates

Oct. – Nov. 1999	\$ 1.00 U.S. = 312,438 Drachmas
Dec. 1999 – Mar. 2000	\$ 1.00 U.S. = 334,258 Drachmas
Apr. – May 2000	\$ 1.00 U.S. = 362,288 Drachmas
June – July 2000	\$ 1.00 U.S. = 356,642 Drachmas
Aug – Oct. 2000	\$ 1.00 U.S. = 380,850 Drachmas

Farm gate prices for oranges, tangerines and lemons for the 1999 year are not yet available from the Min of Agriculture. The 1998 farm gate prices carried by the same source are as follows:

Farm Gate Prices for Citrus for 1998		
	Drs/Kg	\$/Kg
Oranges (total average)	49.18	0.167
For fresh consumption	54.67	0.186
For processing	33.89	0.115
Tangerines (total average)	87.31	0.297
Lemons (total average)	63.53	0.216
For fresh consumption	64.74	0.220
For processing	37.46	0.127

Export average FOB prices for citrus fruits during the 1999/2000 season ranged within the following levels:

Export Prices for 1999/2000		
Dollars/metric ton		
	To EU Destinations	To non EU destinations
Oranges	350 to 390	270-310
Tangerines	550 to 580	290-330
Lemons	360 to 380	280-320

Exchange Rates:

1998 \$ 1.00 = 294.30
 1999 \$ 1.00 = 305.85
 2000 Jan- Oct \$ 1.00 = 360.44

PS&D Table, Fresh Oranges

PSD Table						
Country	Greece					
Commodity	Fresh Oranges				(HECTARES)(1000 TREES)(1000 MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Area Planted	38000	38000	38000	37800	0	37700
Area Harvested	37100	37100	37200	37000	0	36900
Bearing Trees	16470	16470	16550	16500	0	16430
Non-Bearing Trees	400	400	340	360	0	350
TOTAL No. Of Trees	16870	16870	16890	16860	0	16780
Production	795	795	950	1040	0	900
Imports	2	2	1	1	0	1
TOTAL SUPPLY	797	797	951	1041	0	901
Exports	203	203	220	270	0	250
Fresh Dom. Consumption	399	399	441	391	0	351
Processing	195	195	290	380	0	300
TOTAL DISTRIBUTION	797	797	951	1041	0	901

Export Trade Matrix, Fresh Oranges

Export Trade Matrix			
Country	Greece		
Commodity	Fresh Oranges		
Time period		Units:	MT
Exports for:	1998		1999
U.S.		U.S.	
Others		Others	
Holland	2104	Holland	17495
Germany	28290	Germany	31794
Austria	4919	Austria	10386
Russia	54243	Sweden	5390
Hungary	26486	U.K.	4467
Other EU	9677	Other EU	12127
>Sub Total EU	44990	>Sub Total EU	81659
Romania	16959		
FYROM	28492		
Serbia	18888		
Total for Others	190058		81659
Others not Listed	75109		182441
Grand Total	265167		264100

Import Trade Matrix, Fresh Oranges

Import Trade Matrix			
Country	Greece		
Commodity	Fresh Oranges		
Time period		Units:	MT
Imports for:	1998		1999
U.S.		U.S.	
Others		Others	
Holland (Brazil)	2063	Holland	635
Spain	945	Spain	409
Germany	391	Germany	471
Other EU	218	Other EU	234
>Sub Total EU	3617	>Sub Total EU	1749
Total for Others	3617		1749
Others not Listed	5		1
Grand Total	3622		1750

PS&D Table, Juice Oranges

PSD Table						
Country	Greece			65	Degrees Brix	
Commodity	Juice, Orange			585100	(MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Deliv. To Processors	195	195	290	380	0	300
Beginning Stocks	2044	2044	44	44	444	3044
Production	10000	10000	13400	16500	0	15000
Imports	10000	10000	9500	11000	0	8500
TOTAL SUPPLY	22044	22044	22944	27544	444	26544
Exports	4500	4500	5000	6000	0	6000
Domestic Consumption	17500	17500	17500	18500	0	19000
Ending Stocks	44	44	444	3044	0	1544
TOTAL DISTRIBUTION	22044	22044	22944	27544	0	26544

NOTE: The figures in the PS&D table are based on 65 Brix concentration of OJC while the figures in the matrices tables give the actual weights of imported/exported orange juices of different concentrations from 10 to 65 Brix. As a result the data in the PS&D table do not correlate directly with the import/export figures shown in the matrices. However, the quantities of various juice Brix levels can be extrapolated from the matrices since the NSS provides actual value of imports/exports besides actual weight.

Export Trade Matrix, Juice Oranges

Export Trade Matrix			
Country	Greece		
Commodity	Juice, Orange		
Time period		Units:	MT
Exports for:	1998		1999
U.S.	8	U.S.	5
Others		Others	
Holland	2899	Holland	2476
Germany	2355	Germany	662
U.K.	1284	U.K.	121
Other EU	74	Other EU	139
>Sub Total EU	6612	>Sub Total EU	3398
FYROM	514	FYROM	943
Bulgaria	535	Bulgaria	280
Albania	411		
Cyprus	502		
Total for Others	8574		4621
Others not Listed	1441		824
Grand Total	10023		5450

NOTE: The tonnages of exports and imports in this matrix are not based on a fixed concentration such as 65 Brix, but they are juices of various concentrations ranging from 10 to 65 Brix and over as provided by the National Statistical Service (NSS).

Import Trade Matrix, Juice Oranges

Import Trade Matrix			
Country	Greece		
Commodity	Juice, Orange		
Time period		Units:	MT
Imports for:	1998		1999
U.S.	1247	U.S.	1005
Others		Others	
Holland (Brazil)	6016	Holland	7562
Germany (Brazil)	2187	Germany	3278
France	1831	France	2247
Spain	2589	Spain	3820
Other EU	310	Other EU	379
>Sub Total EU	12933	>Sub Total EU	17286
Bulgaria	1004	Bulgaria	1978
Cyprus	566	Cyprus	683
		Brazil	281
Total for Others	14503		20228
Others not Listed	85		74
Grand Total	15835		21307

PS&D Table, Fresh Tangerines

PSD Table						
Country	Greece					
Commodity	Fresh Tangerines				(HECTARES)(1000 TREES)(1000 MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Area Planted	6000	6000	6000	6020	0	6030
Area Harvested	5920	5920	5940	5960	0	5950
Bearing Trees	2930	2930	2935	2935	0	2935
Non-Bearing Trees	40	40	35	35	0	35
TOTAL No. Of Trees	2970	2970	2970	2970	0	2970
Production	80	80	85	85	0	90
Imports	0	0	0	0	0	0
TOTAL SUPPLY	80	80	85	85	0	90
Exports	27	27	29	30	0	30
Fresh Dom. Consumption	49	49	52	50	0	55
Processing	4	4	4	5	0	5
TOTAL DISTRIBUTION	80	80	85	85	0	90

Export Trade Matrix, Fresh Tangerines

Export Trade Matrix			
Country	Greece		
Commodity	Fresh Tangerines		
Time period		Units:	MT
Exports for:	1998		1999
U.S.		U.S.	
Others		Others	
Germany	5433	Germany	3385
Other EU	654	Other EU	36
>Sub Total EU	6087	>Sub Total EU	7024
Bulgaria	3492	Bulgaria	3909
FYROM	3412	FYROM	4413
Serbia	2509	Serbia	2385
Poland	2293	Poland	2190
Hungary	1394	Hungary	1565
Czechia	1806	Albania	4605
		Holland	2282
Total for Others	20993		24770
Others not Listed	3385		4019
Grand Total	24378		28789

Import Trade Matrix, Fresh Tangerines

Import Trade Matrix			
Country	Greece		
Commodity	Fresh Tangerines		
Time period		Units:	MT
Imports for:	1998		1999
U.S.		U.S.	
Others		Others	
Holland	422	Holland	67
Italy	614	Spain	61
Other EU	63	Other EU	53
>Sub Total EU	1099	>Sub Total EU	181
Total for Others	1099		181
Others not Listed	11		12
Grand Total	1110		193

PS&D Table, Fresh Lemons

PSD Table						
Country	Greece					
Commodity	Fresh Lemons				(HECTARES)(1000 TREES)(1000 MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Area Planted	11900	11900	11850	11150	0	10880
Area Harvested	11610	11610	11600	10850	0	10610
Bearing Trees	3835	3835	3835	3720	0	3640
Non-Bearing Trees	140	140	110	100	0	90
TOTAL No. Of Trees	3975	3975	3945	3820	0	3730
Production	143	143	155	135	0	140
Imports	12	12	12	11	0	12
TOTAL SUPPLY	155	155	167	146	0	152
Exports	22	22	20	24	0	30
Fresh Dom. Consumption	101	101	117	100	0	92
Processing	32	32	30	22	0	30
TOTAL DISTRIBUTION	155	155	167	146	0	152

Export Trade Matrix, Fresh Lemons

Export Trade Matrix			
Country	Greece		
Commodity	Fresh Lemons		
Time period		Units:	MT
Exports for:	1998		1999
U.S.		U.S.	
Others		Others	
Ukraine	2451	Ukraine	1826
FYROM	3764	FYROM	4707
Serbia	4348	Serbia	3359
Romania	3133	Romania	4026
Bulgaria	2669	Bulgaria	4566
Russia	3396	Other EU	1901
>Sub Total EU	1286	>Sub Total EU	8045
		Italy	3240
		Germany	2340
		U.K.	564
Total for Others	19761		26529
Others not Listed	3265		8895
Grand Total	23026		35424

Import Trade Matrix, Fresh Lemons

Import Trade Matrix			
Country	Greece		
Commodity	Fresh Lemons		
Time period		Units:	MT
Imports for:	1998		1999
U.S.		U.S.	
Others		Others	
Holland	2081	Holland	1594
Italy	2283	Germany	969
Spain	6775	Spain	1563
Other EU	636	Other EU	995
>Sub Total EU	11775	>Sub Total EU	5121
		Argentina	5531
Total for Others	11775		10652
Others not Listed	5		126
Grand Total	11780		10778

PS&D Table, Juice Lemons

PSD Table						
Country	Greece					
Commodity	Juice, Lemon				(MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Deliv. To Processors	35000	27000	0	22000	0	30000
Beginning Stocks	656	546	556	336	0	36
Production	2200	1590	0	1320	0	1800
Imports	50	100	0	60	0	50
TOTAL SUPPLY	2906	2236	556	1716	0	1886
Exports	850	500	0	280	0	300
Domestic Consumption	1500	1400	0	1400	0	1500
Ending Stocks	556	336	0	36	0	86
TOTAL DISTRIBUTION	2906	2236	0	1716	0	1886